Post-script by Sam Vaknin, Ph.D. to the book

“Migration, Peace, and Development: Contradiction in Terms or Cause and Its Effects?

The Case of the Republic of Macedonia”

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Debunking Five Myths about Immigration and Emigration

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MYTH number 1: Immigrants compete with locals on scarce jobs

Jean-Marie Le Pen - France's dark horse presidential contender - is clearly emotional about the issue of immigration and, according to him, its correlates, crime and unemployment. His logic is dodgy at best and his paranoid xenophobia ill-disguised. But Le Pen and his ilk - from Carinthia to Copenhagen - succeeded to force upon European mainstream discourse topics considered hitherto taboos. For decades, the European far right has been asking all the right questions and proffering all the far answers.

Consider the sacred cow of immigration and its emaciated twin, labour scarcity, or labour shortage.

Immigrants can't be choosy. They do the dirty and dangerous menial chores spurned by the native population. At the other extreme, highly skilled and richly educated foreigners substitute for the dwindling, unmotivated, and incompetent output of crumbling indigenous education systems in the West. As sated and effete white populations decline and age, immigrants gush forth like invigorated blood into a sclerotic system.

According to the United Nations Population Division, the EU would need to import 1.6 million migrant workers annually to maintain its current level of working age population. But it would need to absorb almost 14 million new, working age, immigrants per year just to preserve a stable ratio of workers to pensioners.

Similarly hysterical predictions of labour shortages and worker scarcity abounded in each of the previous three historic economic revolutions.

As agriculture developed and required increasingly more advanced skills, the extended family was brutally thrust from self-sufficiency to insufficiency. Many of its functions - from shoemaking to education - were farmed out to specialists. But such experts were in very short supply. To overcome the perceived workforce deficiency, slave labour was introduced and wars were fought to maintain precious sources of "hands", skilled and unskilled alike.

Labour panics engulfed Britain - and later other industrialized nations such as Germany - during the 19th century and the beginning of the twentieth.

At first, industrialization seemed to be undermining the livelihood of the people and the production of "real" (read: agricultural) goods. There was fear of over-population and colonial immigration coupled with mercantilism was considered to be the solution.

Yet, skill shortages erupted in the metropolitan areas, even as villages were deserted in an accelerated process of mass urbanization and overseas migration. A nascent education system tried to upgrade the skills of the newcomers and to match labour supply with demand. Later, automation usurped the place of the more expensive and fickle laborer. But for a short while scarce labour was so strong as to be able to unionize and dictate employment terms to employers the world over.

The services and knowledge revolutions seemed to demonstrate the indispensability of immigration as an efficient market-orientated answer to shortages of skilled labour. Foreign scientists were lured and imported to form the backbone of the computer and Internet industries in countries such as the USA. Desperate German politicians cried "Kinder, not Inder" (children, not Indians) when chancellor Schroeder allowed a miserly 20,000 foreigners to emigrate to Germany on computer-related work visas.

Sporadic, skill-specific scarcities notwithstanding - all previous apocalyptic Jeremiads regarding the economic implosion of rich countries brought on by their own demographic erosion - have proven spectacularly false.

Some prophets of doom fell prey to Malthusian fallacies. According to these scenarios of ruination, state pension and health obligations grow exponentially as the population grays. The number of active taxpayers - those who underwrite these obligations - declines as more people retire and others migrate. At a certain point in time, the graphs diverge, leaving in their wake disgruntled and cheated pensioners and rebellious workers who refuse to shoulder the inane burden much longer. The only fix is to import taxable workers from the outside.

Other doomsayers gorge on "lumping fallacies". These postulate that the quantities of all economic goods are fixed and conserved. There are immutable amounts of labour (known as the "lump of labour fallacy"), of pension benefits, and of

taxpayers who support the increasingly insupportable and tenuous system. Thus, any deviation from an infinitesimally fine equilibrium threatens the very foundations of the economy.

To maintain this equilibrium, certain replacement ratios are crucial. The ratio of active workers to pensioners, for instance, must not fall below 2 to 1. To maintain this ratio, many European countries (and Japan) need to import millions of fresh tax-paying (i.e., legal) immigrants per year.

Either way, according to these sages, immigration is both inevitable and desirable. This squares nicely with politically correct - yet vague - liberal ideals and so everyone in academe is content. A conventional wisdom was born.

Yet, both ideas are wrong. These are fallacies because economics deals in non-deterministic and open systems. At least nine forces countermand the gloomy prognoses aforementioned and vitiate the alleged need for immigration:

I. Labour Replacement

Labour is constantly being replaced by technology and automation. Even very high skilled jobs are partially supplanted by artificial intelligence, expert systems, smart agents, software authoring applications, remotely manipulated devices, and the like. The need for labour inputs is not constant. It decreases as technological sophistication and penetration increases. Technology also influences the composition of the work force and the profile of skills in demand.

As productivity grows, fewer workers produce more. American agriculture is a fine example. Less than 3 percent of the population are now engaged in agriculture in the USA. Yet, they produce many times the output produced a century ago by 30 percent of the population. Per capita the rise in productivity is even more impressive.

II. Chaotic Behaviour

All the Malthusian and Lumping models assume that pension and health benefits adhere to some linear function with a few well-known, actuarial, variables. This is not so. The actual benefits payable are very sensitive to the assumptions and threshold conditions incorporated in the predictive mathematical models used. Even a tiny change in one of the assumptions can yield a huge difference in the quantitative forecasts.

III. Incentive Structure

The doomsayers often assume a static and entropic social and economic environment. That is rarely true, if ever. Governments invariably influence

economic outcomes by providing incentives and disincentives and thus distorting the "ideal" and "efficient" market. The size of unemployment benefits influences the size of the workforce. A higher or lower pension age coupled with specific tax incentives or disincentives can render the most rigorous mathematical model obsolete.

IV. Labour Force Participation

At a labour force participation rate of merely 60% (compared to the USA's 70%) - Europe still has an enormous reservoir of manpower to draw on. Add the unemployed - another 8% of the workforce - to these gargantuan numbers - and Europe has no shortage of labour to talk of. These workers are reluctant to work because the incentive structure is titled against low-skilled, low-pay, work. But this is a matter of policy. It can be changed. When push comes to shove, Europe will respond by adapting, not by perishing, or by flooding itself with 150 million foreigners.

V. International Trade

The role of international trade - now a pervasive phenomenon - is oft-neglected. Trade allows rich countries to purchase the fruits of foreign labour - without importing the laborers themselves. Moreover, according to economic theory, trade is preferable to immigration because it embodies the comparative advantages of the trading parties. These reflect local endowments.

VI. Virtual Space

Modern economies are comprised 70% of services and are sustained by vast networks of telecommunications and transport. Advances in computing allow to incorporate skilled foreign workers in local economic activities - from afar. Distributed manufacturing, virtual teams (e.g., of designers or engineers or lawyers or medical doctors), multinationals - are all part of this growing trend. Many Indian programmers are employed by American firms without ever having crossed the ocean or making it into the immigration statistics.

VII. Punctuated Demographic Equilibria

Demographic trends are not linear. They resemble the pattern, borrowed from evolutionary biology, and known as "punctuated equilibrium". It is a fits and starts affair. Baby booms follow wars or baby busts. Demographic tendencies interact with economic realities, political developments, and the environment.

VIII. Emergent Social Trends

Social trends are even more important than demographic ones. Yet, because they are hard to identify, let alone quantify, they are scarcely to be found in the models used by the assorted Cassandras and pundits of international development agencies. Arguably, the emergence of second and third careers, second families, part time work, flextime, work-from-home, telecommuting, and unisex professions have had a more decisive effect on our economic landscape than any single demographic shift, however pronounced.

IX. The Dismal Science

Immigration may contribute to growing mutual tolerance, pluralism, multiculturalism, and peace. But there is no definitive body of evidence that links it to economic growth. It is easy to point at immigration-free periods of unparalleled prosperity in the history of nations - or, conversely, at recessionary times coupled with a flood of immigrants.

So, is Le Pen right?

Only in stating the obvious: Europe can survive and thrive without mass immigration. The EU may cope with its labour shortages by simply increasing labour force participation. Or it may coerce its unemployed (and women) into low-paid and 3-d (dirty, dangerous, and difficult) jobs. Or it may prolong working life by postponing retirement. Or it may do all the above - or none. But surely to present immigration as a panacea to Europe's economic ills is as grotesque a caricature as Le Pen has ever conjured.

MYTH number 2: Most migrants are educated, skilled workers

Human trafficking and people smuggling are multi-billion dollar industries. At least 50% of the 150 million immigrants the world over are illegal aliens. There are 80 million migrant workers found in virtually every country. They flee war, urban terrorism, crippling poverty, corruption, authoritarianism, nepotism, cronyism, and unemployment. Their main destinations are the EU and the USA - but many end up in lesser countries in Asia or Africa.

The International Labour Organization (ILO) published the following figures in 1997:

Africa had 20 Million migrant workers, North America - 17 million, Central and South America - 12 million, Asia - 7 million, the Middle East - 9 million, and Europe - 30 million.

Immigrants make up 15% of staid Switzerland's population, 9% of Germany's and Austria's, 7.5% of France's (though less than 4% of multi-cultural Blairite Britain).

There are more than 15 million people born in Latin America living in the States. According to the American Census Bureau, foreign workers comprise 13% of the workforce (up from 9% in 1990). A million have left Russia for Israel. In this past century, the world has experienced its most sweeping wave of both voluntary and forced immigration - and it does not seem to have abated.

According to the United Nations Population Division, the EU would need to import 1.6 million migrant workers annually to maintain its current level of working age population. But it would need almost 9 times as many to preserve a stable workers to pensioners ratio.

The EU may cope with this shortage by simply increasing labour force participation (74% in labour-short Netherlands, for instance). Or it may coerce its unemployed (and women) into low-paid and 3-d (dirty, dangerous, and difficult) jobs. Or it may prolong working life by postponing retirement.

These are not politically palatable decisions. Yet, a wave of xenophobia that hurtled lately across a startled Europe - from Austria to Denmark - won't allow the EU to adopt the only other solution: mass (though controlled and skill-selective) migration.

As a result, Europe has recently tightened its admission (and asylum) policies even more than it has in the 1970's. It bolted and shut its gates to primary (economic) migration. Only family reunifications are permitted. Well over 80% of all immigrants to Britain are women joining their husbands, or children joining their father. Migrant workers are often discriminated against and abused and many are expelled intermittently.

Still, economic migrants - lured by European riches - keep pouring in illegally (about half a million every year -to believe The Centre for Migration Policy Development in Vienna). Europe is the target of twice as many illegal migrants as the USA. Many of them (known as "labour tourists") shuttle across borders seasonally, or commute between home and work - sometimes daily. Hence the EU's apprehension at allowing free movement of labour from the candidate countries and the "transition periods" (really moratoria) it wishes to impose on them following their long postponed accession.

According to the American Census Bureau's March 2002 "Current Population Survey", 20% of all US residents are of "foreign stock" (one quarter of them Mexican). They earn less than native-born Americans and are less likely to have health insurance. They are (on average) less educated (only 67% of immigrants age 25 and older completed high school compared to 87% of native-born Americans). Their median income, at $36,000 is 10% lower and only 49% of them own a home (compared to 67% of households headed by native-born Americans). The averages mask huge disparities between Asians and Hispanics, though. Still, these ostensibly

dismal figures constitute a vast improvement over comparable data in the country of origin.

But these are the distant echoes of past patterns of migration. Traditional immigration is becoming gradually less attractive. Immigrants who came to Canada between 1985-1998 earn only 66% of the wages of their predecessors. Labour force participation of immigrants fell to 68% (1996) from 86% (1981).

While most immigrants until the 1980's were poor, uneducated, and unskilled - the current lot is middle-class, reasonably affluent, well educated, and highly skilled. This phenomenon - the exodus of elites from all the developing and less developed countries - is called "brain drain", or "brain hemorrhage" by its detractors (and "brain exchange" or "brain mobility" by its proponents). These metaphors conjure up images of the inevitable outcomes of some mysterious processes, the market's invisible hand plucking the choicest and teleporting them to more abundant grounds.

Yet, this is far from being true. The developed countries, once a source of such emigration themselves (more than 100,000 European scientists left for the USA in the wake of the Second World War) - actively seek to become its destination by selectively attracting only the skilled and educated citizens of developing countries. They offer them higher salaries, a legal status (however contingent), and tempting attendant perks. The countries of origin cannot compete, able to offer only $50 a month salaries, crumbling universities, shortages of books and lab equipment, and an intellectual wasteland.

The European Commission had this to say last month:

"The Commission proposes, therefore, that the Union recognize the realities of the situation of today: that on the one hand migratory pressures will continue and that on the other hand in a context of economic growth and a declining and aging population, Europe needs immigrants. In this context our objective is not the quantitative increase in migratory flows but better management in qualitative terms so as to realize more fully the potential of immigrants' admitted."

And the EU's Social and Employment Commission added, as it forecast a deficit of 1.7 million workers in Information and Communications Technologies throughout the Union:

"A declining EU workforce due to demographic changes suggests that immigration of third country nationals would also help satisfy some of the skill needs [in the EU]. Reforms of tax benefit systems may be necessary to help people make up their minds to move to a location where they can get a job...while ensuring that the social objectives of welfare systems are not undermined."

In Hong Kong, the "Admission of Talents Scheme" (1999) and "The Admission of Mainland Professionals Scheme" (May 2001) allow mainlanders to enter it for 12 month periods, if they:

"Possess outstanding qualifications, expertise or skills which are needed but not readily available in Hong Kong. They must have good academic qualifications, normally a doctorate degree in the relevant field."

According the January 2002 issue of "Migration News", even now, with unemployment running at almost 6%, the US H1-B visa program allows 195,000 foreigners with academic degrees to enter the US for up to 6 years and "upgrade" to immigrant status while in residence. Many H1-B visas were cancelled due to the latest economic slowdown - but the US provides other kinds of visas (E type) to people who invest in its territory by, for instance, opening a consultancy.

The UK has just implemented the Highly Skilled Migrant Programme which allows "highly mobile people with the special talents that are required in a modern economy" to enter the UK for a period of one year (with indefinite renewal). Even xenophobic Japan allowed in 222,000 qualified foreigners last year (double the figure in 1994).

Germany has absorbed 10,000 computer programmers (mainly from India and Eastern Europe) since July 2000. Ireland was planning to import twenty times as many over 7 years - before the dotcoms bombed. According to "The Economist", more than 10,000 teachers have left Ecuador since 1998. More than half of all Ghanaian medical doctors have emigrated (120 in 1998 alone). More than 60% of all Ethiopian students abroad never return. There are 64,000 university educated Nigerians in the USA alone. More than 43% of all Africans living in North America have acquired at least a bachelor's degree.

Barry Chiswick and Timothy Hatton demonstrated ("International Migration and the Integration of Labour Markets", published by the NBER in its "Globalisation in Historical Perspective") that, as the economies of poor countries improve, emigration increases because people become sufficiently wealthy to finance the trip.

Poorer countries invest an average of $50,000 of their painfully scarce resources in every university graduate - only to witness most of them emigrate to richer places. The haves-not thus end up subsidizing the haves by exporting their human capital, the prospective members of their dwindling elites, and the taxes they would have paid had they stayed put. The formation of a middle class is often irreversibly hindered by an all-pervasive brain drain.

Politicians in some countries decry this trend and deride those emigrating. In a famous interview on state TV, the late prime minister of Israel, Yitzhak Rabin,

described them as "a fallout of the jaded". But in many impoverished countries, local kleptocracies welcome the brain drain as it also drains the country of potential political adversaries.

Emigration also tends to decrease competitiveness. It increase salaries at home by reducing supply in the labour market (and reduces salaries at the receiving end, especially for unskilled workers). Illegal migration has an even stronger downward effect on wages in the recipient country - illegal aliens tend to earn less than their legal compatriots. The countries of origin, whose intellectual elites are depleted by the brain drain, are often forced to resort to hiring (expensive) foreigners. African countries spend more than $4 billion annually on foreign experts, managers, scientists, programmers, and teachers.

Still, remittances by immigrants to their relatives back home constitute up to 10% of the GDP of certain countries - and up to 40% of national foreign exchange revenues. The World Bank estimates that Latin American and Caribbean nationals received $15 billion in remittances in 2000 - ten times the 1980 figure. This may well be a gross underestimate. Mexicans alone remitted $6.7 billion in the first 9 months of 2001 (though job losses and reduced hours may have since adversely affected remittances). The IADB thinks that remittances will total $300 billion in the next decade (Latin American immigrants send home c. 15% of their wages).

Official remittances (many go through unmonitored money transfer channels, such as the Asian Hawala network) are larger than all foreign aid combined. "The Economist" calculates that workers' remittances in Latin America and the Caribbean are three times as large as aggregate foreign aid and larger than export proceeds. Yet, this pecuniary flood is mostly used to finance the consumption of basics: staple foods, shelter, maintenance, clothing. It is non-productive capital.

Only a tiny part of the money ends up as investment. Countries - from Mexico to Israel, and from Macedonia to Guatemala - are trying to tap into the considerable wealth of their diasporas by issuing remittance-bonds, by offering tax holidays, one-stop-shop facilities, business incubators, and direct access to decision makers - as well as matching investment funds.

Migrant associations are sprouting all over the Western world, often at the behest of municipal authorities back home. The UNDP, the International Organization of Migration (IOM), as well as many governments (e.g., Israel, China, Venezuela, Uruguay, Ethiopia), encourage expatriates to share their skills with their counterparts in their country of origin. The thriving hi-tech industries in Israel, India, Ireland, Taiwan, and South Korea were founded by returning migrants who brought with them not only capital to invest and contacts - but also entrepreneurial skills and cutting edge technologies.

Thailand established in 1997, within the National Science and Technology Development Agency, a 2.2 billion baht project called "Reverse the Brain Drain". Its aim is to "use the 'brain' and 'connections' of Thai professionals living overseas to help in the Development of Thailand, particularly in science and technology."

The OECD ("International Mobility of the Highly Skilled") believes that:

"More and more highly skilled workers are moving abroad for jobs, encouraging innovation to circulate and helping to boost economic growth around the globe."

But it admits that a "greater co-operation between sending and receiving countries is needed to ensure a fair distribution of benefits".

The OECD noted, in its "Annual Trends in International Migration, 2001" that (to quote its press release):

"Migration involving qualified and highly qualified workers rose sharply between 1999 and 2000, helped by better employment prospects and the easing of entry conditions. Instead of granting initial temporary work permits only for one year, as in the past, some OECD countries, particularly in Europe, have been issuing them for up to five years and generally making them renewable. Countries such as Australia and Canada, where migration policies were mainly aimed at permanent settlers, are also now favoring temporary work permits valid for between three and six years ... In addition to a general increase in economic prosperity, one of the main factors behind the recent increase in worker migration has been the development of information technology, a sector where in 2000 there was a shortage of around 850,000 technicians in the US and nearly 2 million in Europe..."

But the OECD underplays the importance of brain drain:

"Fears of a "brain drain" from developing to technologically advanced countries may be exaggerated, given that many professionals do eventually return to their country of origin. To avoid the loss of highly qualified workers, however, developing countries need to build their own innovation and research facilities ... China, for example, has recently launched a program aimed at developing 100 selected universities into world-class research centers. Another way to ensure return ... could be to encourage students to study abroad while making study grants conditional on the student's return home."

The key to a pacific and prosperous future lies in a multilateral agreement between brain-exporting, brain-importing, and transit countries. Such an agreement should facilitate the sharing of the benefits accruing from migration and "brain exchange" among host countries, countries of origin, and transit countries. In the absence of such a legal instrument, resentment among poorer nations is likely to grow even as

the mushrooming needs of richer nations lead them to snatch more and more brains from their already woefully depleted sources.

MYTH number 3: All immigrants move from east to west

The census in Russia, the first since 1989, is expected to find more than 2 million immigrants in residence. The Macedonian Ministry of the Interior, based on initial census figures, estimates that there are well over 20,000 foreigners in this country of 2 million people.

It is a little known fact that the polities of east Europe - let alone central Europe - are the targets of mass immigration from even poorer regions of the earth like India, Bangladesh, Pakistan, Africa and central and east Asia. Wealth is relative, though. Even destitute Macedonia is home to at least 200,000 migrants from the impoverished nether lands of Albania, Kosovo, Serbia and Bosnia.

The denizens of deprived members of the former Soviet bloc - such as Moldova, Ukraine, Belarus, Albania, Yugoslavia (Serbia, Montenegro and Kosovo), Bosnia-Herzegovina, Macedonia, Romania, Bulgaria, or the "stans" of central Asia - flock to the greener pastures of the Czech Republic, Poland, Hungary, Russia, Croatia, Greece, Austria and Germany. Add to these at least 500,000 permanent refugees - mainly from Croatia and Bosnia.

Most of these economic immigrants are unskilled and uneducated. They are employed in menial jobs in agriculture and services. They remit the bulk of their income home, thus contributing little to the local economy. They are ineligible for education, medical treatment, or social benefits and services.

The majority of them being illegal aliens, they rarely pay taxes. They do not enjoy the protection of the law and fall prey to rapacious organized crime gangs and avaricious indigenous policemen, judges and bureaucrats. Child labor, prostitution, drug abuse and other forms of petty delinquency are rampant among them.

Immigrants cause great resentment and consternation among the - always xenophobic - populace in east and central Europe. They compete directly with unskilled and unemployed locals - a sizable portion of the citizenry. Unemployment in the European Union is less than 10 percent compared to almost 20 percent in Poland, 30 percent in Macedonia and twice that in Kosovo.

But east Europe is target to another kind of immigration - from the rich West. Hundreds of thousands of expatriates and their dependants pepper these territories. Most of them are employed by non government organizations (NGOs), multilaterals, or international financial institutions.

They come for stints of a few years. Many stay longer, beyond the call of tenure. They spend their bloated salaries locally. This, usually, is their only input to their newfound domicile - a poisoned chalice driving up prices beyond the means of most inhabitants. These foreigners rarely pay taxes and are beyond the reach of

native law. NATO peacekeepers, for instance, can be tried only in their countries of origin where flippant lenience is secured.

There are three categories of Western parvenus in the Wild East: the hustlers, the bureaucrats and the corporates.

The implosion of communism in central and east Europe has immediately sucked in an assortment of foreigners with checkered pasts and shady businesses. They colluded with emerging organized crime in their adopted countries, serving as a vital link to the financial infrastructure of the West. In cahoots with corrupt managers and venal cronies and insiders, they stripped the assets of state-owned enterprises and benefited from speculative bubbles.

Foreigners employed by multilateral organizations - such as the IMF, the World Bank, the Organization for Security and Cooperation in Europe, NATO, the European Union and a veritable avalanche of acronymed NGOs and academic outfits - are notorious throughout the region for their shameless conspicuous consumption and capricious meddling. Some of them have been implicated in corrupt dealings.

Usually with mediocre skills and a poor record back home, they join multilaterals for lack of options rather for any altruistic fervor. They hold in contempt the hapless sovereign hosts in which they serve as the omnipotent procurators of the West. Many of them hail from epitomes of good governance and civil society like Pakistan, Egypt, or India.

These emissaries of rectitude serve as a fig-leaf for the suborned politicians of this region behind which office-bearers hide their thefts and their incompetence. Often, the "international community" (euphemism for the United States and the European Union) turn a blind eye to the egregious looting of the state by pliant and cooperating bigwigs.

But there is a third - and welcome - type of foreigner.

These are advisors and managers who cater to the needs of multinationals and local companies. The market dictates their fees and their continued - or discontinued - employment. Scores of Western consultancies set shop in central, east and southeast Europe - accountancies, law firms, the odd professional.

Western know how on anything from wood processing to canning, from intellectual property to real estate and from publishing to brewing is transferred by these outfits to eager companies and a new cadre of management. The newcomers often assist local firms to obtain finance, construct projects and market products. In due time, foreign managers give way to locally trained ones. This is the real process of transition.

"There is nothing so good for the human soul as the discovery that there are ancient and flourishing civilized societies which have somehow managed to exist for many centuries and are still in being though they have had no help from the traveler in solving their problems."

Walter Lippmann

In "Alice's Adventures in Wonderland", Lewis Carroll wrote: ***"Curtsy while you're thinking of something to say. It saves time."***

What a missed career. He should have been an expat expert. To paraphrase a sentence originally written about women (no misogynism implied): "What else is a foreign consultant but a foe to friendship, an inescapable punishment, a necessary evil, a natural temptation, a desirable calamity, a domestic danger, a delectable detriment, an evil nature, painted with fair colours?" (Anne Baring and Jules Cashford, They Myth of the Goddess: Evolution of an Image (London: Penguin Books Inc., 1993).

Not unlike poor Mr. Prufrock in T.S. Eliot's "The Love Song of J. Alfred Prufrock," foreign advisors in the exotic countries of CEE, especially once moderately inebriated, are prone to dramatic monologues and musings, "measuring out their lives in coffee spoons" as they contemplate "the yellow smoke that slides along the street, rubbing its back upon the window-panes."

All foreign advisors belong to either of three categories: the hustlers, the bureaucrats and the corporates.

The first sub-species peddle their specious wares aggressively, flamboyantly and relentlessly. They present a picturesque assortment of quaint British eccentricities and pronounced professional idiosyncrasies. They often are under a cloud - but never in the shade. Sometimes they even flaunt their chequered past and colourful adventures. It is the only form of entertainment in the drab cemetery that Eastern and Southeastern Europe is. In the hope of landing a fat consultancy contract with a confused minister or with a terror-stricken central banker, with a quadriplegic stock exchange or with a dying industry lobby, with sansculotte trade unions or with gullible Western NGOs - they gypsy around, living off tattered suitcases in shabby hotels, yearning to strike gold in the next station of their mendicant's journey. Necessarily abstemious - they are otherwise and when serendipity strikes, containers of greed and avarice and gluttony and hedonism. Unfulfilled, they often deteriorate to colluding in obscure dealings with corrupt officials. You can find these hangers-on in every pub and bar from the farthest Russian north to the warm waters of Bulgaria, the same dogged look, the same mane of yellowing hair, the old-cut suits and sole-worn shoes and the drooling eagerness to gossip and to profit.

Contrast these has beens to the bureaucratic breed. Ever the laptopped, they travel first class and reside in five star luxurious hotels strewn among the decrepitude of their surrounding. Unashamed, they flaunt shimmering utility vehicles and satellite cellular phones in the face of the unemployed and downtrodden they came ostensibly to help. Occupied mainly by scanning the daily paper and solving simple crossword puzzles, they disrupt their onerous routine only to wine and dine venal officials on mutually fattening expense accounts. They are the malignancy of Bretton Woods, a cancerous growth of well intended aid, the hideous face of altruism. Their organizations are the dumping grounds of the inept and the unwanted, the professional failures and the embarrassingly corrupt, the egregiously ignorant and the narcissistically immature. They tax the resources of their hosts as all parasites do and give very little in return. Their advice is often wrong and almost invariably leads to adversity and woe. They tend to overstep their mandate and supplant elected offices and their humiliated occupants. They dictate and intervene and threaten and determine with the callousness of those who lose no thing when their "advice" goes awry. In time, they move on from one political carcass to another, birds of prey with metal wings and the sated satisfaction of the well fed and the multi-salaried. Earning in a day what others earn in two months - they often hold their mission and its objects in contempt and scorn. They are content to climb the autistic ladder that is a multilateral institution. The rare are recruited by the private sector as third rate lobbyists.

The suborned politicians of this region have good use for these emissaries of defective micromanagement. They hide their thefts and their incompetence behind a fig leaf of "they told me to". They blame their failures, their patently erroneous decisions, their marked inabilities - on the negative externalities of the international community. An elaborate sign language of winks and nods develops in the execrable, fungal intimacy between native bureaucracy and foreign supervisors. The "advisors" and "country managers" and "resident officers" often come themselves from shrines of good governance and civil society, the likes of China and India and Saudi Arabia or worse. They understand the secret language of power and quid pro quo. What better than a fat and satiated cat to guard the skinny and famished ones? So, they collaborate in the most lamentable of manners, eyes closed, ears plugged, mouth stapled. The bureaucrats author delusional science fiction, delirious potpourris of wishful thinking and grotesque projections, the customary backslapping and mutual admiration. And the politicians pretend to listen, patiently ignoring the more arcane lingo and outlandish offers, waiting for the aliens to take off to their planet and allow them to proceed with plundering and loot.

The third type of expert foreigners are members of academe or business corporations (the distinction quite blurred in the United States). The infamous Harvard affair in Russia exposed the profit motives of these self appointed and self-proclaimed do gooders. It also elucidated their moral standard - rather the lack thereof. Scores of Western consultancies set shop in CEE and southeast Europe -

accountancies, law firms, the odd professional. Western know how on anything from wood processing to canning, from intellectual property to real estate and from publishing to brewing can be obtained. Ultimately, this breed of entrepreneur-consultants represents the biggest hope. True, profit motivated and all too willing to cross the lines for client, God and country - still, their thinking is a sound one, their ethos genuine, their goals are realistic and they seem to know the path. In their ruthless application of the admixture of drive and dream, they often lead the way - obtaining finance, converting others to the cause, constructing projects, educating, preaching and teaching and hectoring and, in this arduous, often derided process, falling in love with land and people.

MYTH number 4: Poor countries lack the instruments to tackle debilitating brain drain

Groucho Marx, the famous Jewish-American comedian, once said:

"I would never want to belong to a club which would accept me as a member."

We are in the wake of the downfall of all the major ideologies of the 20th century - Fascism, Communism, etc. The New Order, heralded by President Bush, emerged as a battle of Open Club versus Closed Club societies, at least from the economic point of view.

All modern states and societies belong to one of these two categories: meritocracy (the rule of merit) or oligarchy (the rule of a minority over the majority). In both cases, the social and economic structures are controlled by elites. In this complex world, the rule of elites is inevitable. The amount of knowledge needed in order to exercise effective government has become so large - that only a select few can attain it. What differentiates meritocracy from oligarchy is not the absolute number of members of a ruling (or of a leading) class - the number is surprisingly small in both systems.

The difference between them lies in the membership criteria and in the way that they are applied.

The meritocratic elite is an open club because it satisfies four conditions:

a. The rules of joining it and the criteria to be satisfied are publicly known.

b. The application and ultimate membership procedures are uniform, equal to all and open to public scrutiny and criticism (transparent).

c. The system alters its membership parameters in direct response to public feedback and to the changing social and economic environment.

d. To belong to a meritocracy one needs to satisfy a series of demands.

Whether he (or she) satisfies them or not - is entirely up to him (her).

In other words, in meritocracy the rules of joining and of membership are cast in iron. The wishes and opinions of those who happen to belong to the club at a given moment are of no importance and of no consequence. In this sense, meritocracy is a "fair play" approach: play by the rules and you have a chance to benefit equal to anyone else's. Meritocracy, in other words, is the rule of law.

To join a meritocratic club, one needs to demonstrate that he is in possession of, or that he has access to, "inherent" parameters: intelligence, a certain level of education, a given amount of contribution to the social structure governed (or led, or controlled) by the meritocratic elite. An inherent parameter is a criterion which is independent of the views and predilections of those who are forced to apply it. All the members of a certain committee can disdain an applicant. All of them might wish not to include the candidate in their ranks. All of them could prefer someone else for the job because they owe this "Someone Else" something, or because they play golf with him. Still, they will be forced to consider the applicant's or the candidate's "inherent" parameters: does he have the necessary tenure, qualifications, education, experience? Does he contribute to his workplace, community, society at large? In other words: is he "worthy"?

Granted: these processes of selection, admission, incorporation and assimilation are administered by mere humans. They are, therefore, subject to human failings. Can qualifications be always judged "objectively, unambiguously, unequivocally"? and what about "the right personality traits" or "the ability to engage in teamwork"? These are vague enough to hide bias and bad will. Still, at least the appearance is kept in most of the cases - and decisions can be challenged in courts.

What characterizes oligarchy is the extensive, relentless and ruthless use of "transcendent" parameters to decide who will belong where, who will get which job and, ultimately, who will enjoy which benefits (instead of the "inherent" ones employed in meritocracy).

A transcendent parameter does not depend on the candidate or the applicant.

It is an accident, an occurrence absolutely beyond the reach of those most affected by it. Race is such a parameter and so are gender, familial affiliation or contacts and influence.

To join a closed, oligarchic club, to get the right job, to enjoy excessive benefits - one must be white (racism), male (sexual discrimination), born to the right family (nepotism), or to have the right political (or other) contacts.

Sometimes, belonging to one such club is the prerequisite for joining another.

In France, for instance, the whole country is politically and economically run by graduates of the Ecole Normale d'Administration (ENA). They are known as the ENArques (=the royal dynasty of ENA graduates).

The drive for privatization of state enterprises in most East and Central European countries provides a glaring example of oligarchic machinations.

In most of these countries (the Czech Republic and Russia are notorious examples) - the companies were sold to political cronies. A unique amalgam of capitalism and oligarchy was thus created: "Crony Capitalism" or Privateering. The national wealth was passed on to the hands of relatively few, well connected, individuals, at a ridiculously low price.

Some criteria are difficult to classify. Does money belong to the first (inherent) or to the second (transcendent) group?

After all, making money indicates some merits, some inherent advantages.

To make money consistently, a person needs to be diligent, hard working, to prevail over hardships, far sighted and a host of other - universally acclaimed - properties. On the other hand, is it fair that someone who made his fortune through corruption, inheritance, or utter luck - be preferred to a poor genius?

That is a contentious issue. In the USA money talks. He who has money is automatically assumed to be virtuous and meritorious. To maintain money inherited is as difficult a task as to make it, the thinking goes.

An oligarchy tends to have long term devastating economic effects.

The reason is that the best and the brightest - when shut out by the members of the ruling elites - emigrate. In a country where one's job is determined by his family connections or by influence peddling - those best fit to do the job are likely to be disappointed, then disgusted and then to leave the place altogether.

This is the phenomenon known as "Brain Drain". It is one of the biggest migratory tidal waves in human history. Capable, well-trained, educated, young people leave their oligarchic, arbitrary, countries and migrate to more predictable meritocracies (mostly to be found in what is collectively termed "The West").

This is colonialism of the worst kind. The mercantilist definition of a colony was: a territory which exports raw materials and imports finished products.

The Brain drain is exactly that: the poorer countries are exporting raw brains and buying back the finished products masterminded by these brains.

Yet, while in classical colonialism, the colony at least received some income for its exports - here the poor country pays to export. The country invests its limited resources in the education and training of these bright young people.

When they depart forever, they take with them this investment - and award it, as a gift, to their new, much richer, host countries.

This is an absurd situation: the poor countries subsidize the rich. Ready made professionals leave the poor countries - embodying an enormous investment in human resources - and land this investment in a rich country. This is also one of the biggest forms of capital flight and capital transfers in history.

Some poor countries understood these basic, unpleasant, facts of life. They imposed an "education fee" on those leaving its border. This fee was supposed to, at least partially, recapture the costs of educating and training those emigrating. Romania and the USSR imposed such levies on Jews emigrating to Israel in the 1970s. Others just raise their hands up in despair and classify the brain drain in the natural cataclysms department.

Very few countries are trying to tackle the fundamental, structural and philosophical flaws of the system, the roots of the disenchantment of those leaving them.

The Brain Drain is so serious that some countries lost up to a third of their total population (Macedonia, some under developed countries in South East Asia and in Africa). Others lost up to one half of their educated workforce (for instance, Israel during the 1980s). this is a dilapidation of the most important resource a nation has: its people. Brains are a natural resource which could easily be mined by society to its penultimate benefit.

Brains are an ideal natural resource: they can be cultivated, directed, controlled, manipulated, regulated. It tends to grow exponentially through interaction and they have an unparalleled economic value added. The profit margin in knowledge and information related industries far exceeds anything exhibited by more traditional, second wave, industries (not to mention first wave agriculture and agribusiness).

What is even more important:

Poor countries are uniquely positioned to take advantage of this third revolution. With cheap, educated workforce - they can monopolize basic data processing and telecommunications functions worldwide. True, this calls for massive initial investments in physical infrastructure. But the important component is here and now: the brains. To constrain them, to disappoint them, to make them run away, to more merit-appreciating places - is to sentence the country to a permanent disadvantage.

Comment on Oligarchy and Meritocracy

Oligarchy and meritocracy are two end-points of a pendulum's trajectory. The transition from oligarchy to meritocracy is natural. No need for politicians to nudge it forward. Meritocracy is a superior survival strategy. Only when states are propped artificially (by foreign aid or soaring oil prices) does meritocracy become irrelevant.

So, why did oligarchs emerge in the transition from communism to capitalism?

Because it was not a transition from communism to capitalism. It wasn't even a transition to proto-capitalism. It was merely a bout of power-sharing: the old oligarchy accepted new members and they re-allocated the wealth of the state among themselves.

MYTH number 5: Long-term emigrants are lost forever to their country of origin

Barry Chiswick and Timothy Hatton demonstrated ("International Migration and the Integration of Labour Markets", published by the NBER in its "Globalisation in Historical Perspective") that, as the economies of poor countries improve, emigration increases because people become sufficiently wealthy to finance the trip.

Poorer countries invest an average of $50,000 of their painfully scarce resources in every university graduate - only to witness most of them emigrate to richer places. The haves-not thus end up subsidizing the haves by exporting their human capital, the prospective members of their dwindling elites, and the taxes they would have paid had they stayed put. The formation of a middle class is often irreversibly hindered by an all-pervasive brain drain.

Politicians in some countries decry this trend and deride those emigrating. In a famous interview on state TV, the late prime minister of Israel, Yitzhak Rabin, described them as "a fallout of the jaded". But in many impoverished countries, local kleptocracies welcome the brain drain as it also drains the country of potential political adversaries.

Emigration also tends to decrease competitiveness. It increase salaries at home by reducing supply in the labour market (and reduces salaries at the receiving end, especially for unskilled workers). Illegal migration has an even stronger downward effect on wages in the recipient country - illegal aliens tend to earn less than their legal compatriots. The countries of origin, whose intellectual elites are depleted by the brain drain, are often forced to resort to hiring (expensive) foreigners. African countries spend more than $4 billion annually on foreign experts, managers, scientists, programmers, and teachers.

Still, remittances by immigrants to their relatives back home constitute up to 10% of the GDP of certain countries - and up to 40% of national foreign exchange revenues. The World Bank estimates that Latin American and Caribbean nationals received $15 billion in remittances in 2000 - ten times the 1980 figure. This may well be a gross underestimate. Mexicans alone remitted $6.7 billion in the first 9 months of 2001 (though job losses and reduced hours may have since adversely affected remittances). The IADB thinks that remittances will total $300 billion in the next decade (Latin American immigrants send home c. 15% of their wages).

Official remittances (many go through unmonitored money transfer channels, such as the Asian Hawala network) are larger than all foreign aid combined. "The Economist" calculates that workers' remittances in Latin America and the Caribbean are three times as large as aggregate foreign aid and larger than export proceeds. Yet, this pecuniary flood is mostly used to finance the consumption of basics: staple foods, shelter, maintenance, clothing. It is non-productive capital.

Only a tiny part of the money ends up as investment. Countries - from Mexico to Israel, and from Macedonia to Guatemala - are trying to tap into the considerable wealth of their diasporas by issuing remittance-bonds, by offering tax holidays, one-stop-shop facilities, business incubators, and direct access to decision makers - as well as matching investment funds.

Migrant associations are sprouting all over the Western world, often at the behest of municipal authorities back home. The UNDP, the International Organization of Migration (IOM), as well as many governments (e.g., Israel, China, Venezuela, Uruguay, Ethiopia), encourage expatriates to share their skills with their counterparts in their country of origin. The thriving hi-tech industries in Israel, India, Ireland, Taiwan, and South Korea were founded by returning migrants who brought with them not only capital to invest and contacts - but also entrepreneurial skills and cutting edge technologies.

Thailand established in 1997, within the National Science and Technology Development Agency, a 2.2 billion baht project called "Reverse the Brain Drain". Its aim is to "use the 'brain' and 'connections' of Thai professionals living overseas to help in the Development of Thailand, particularly in science and technology."

The OECD ("International Mobility of the Highly Skilled") believes that:

"More and more highly skilled workers are moving abroad for jobs, encouraging innovation to circulate and helping to boost economic growth around the globe."

But it admits that a "greater co-operation between sending and receiving countries is needed to ensure a fair distribution of benefits".

The OECD noted, in its "Annual Trends in International Migration, 2001" that (to quote its press release):

"Fears of a "brain drain" from developing to technologically advanced countries may be exaggerated, given that many professionals do eventually return to their country of origin. To avoid the loss of highly qualified workers, however, developing countries need to build their own innovation and research facilities ... China, for example, has recently launched a program aimed at developing 100 selected universities into world-class research centers. Another way to ensure return ... could be to encourage students to study abroad while making study grants conditional on the student's return home."

The key to a pacific and prosperous future lies in a multilateral agreement between brain-exporting, brain-importing, and transit countries. Such an agreement should facilitate the sharing of the benefits accruing from migration and "brain exchange" among host countries, countries of origin, and transit countries. In the absence of such a legal instrument, resentment among poorer nations is likely to grow even as the mushrooming needs of richer nations lead them to snatch more and more brains from their already woefully depleted sources.

The following steps are considered to be the **"minimum package"** in the strengthening of relationships between countries of origin and national diasporas:

1. The granting to the diaspora of unlimited or, at the very least, restricted voting rights in the Motherland (e.g., Macedonia)

2. The institutionalized involvement of political structures representing the diaspora in the politics of the Motherland (e.g., Israel) and vice versa (for instance, the Jewish Congress and the Jewish Agency).

3. Holding common sports events (e.g., the Maccabia or Maccabead Games as a Jewish Olympiad with participants from all over the world); the exchange and transfer of students and professionals between the diaspora and the Motherland.

4. The establishment of a fund for the purchase of land, the restoration of national treasures to the Motherland, reforestation and preservation of nationally or historically significant sites (e.g., the Jewish Keren Hayesod and Keren Kayemet le-Israel)

5. The solicitation of donations, scholarships, and sponsorships from wealthy individuals in the diaspora

6. Emphasis on cultural activities and the promotion of the national language (e.g., various Francophone activities by France)

7. Selling bonds and stocks exclusively to the diaspora (e.g., the Israeli Bonds) and the creation of various investment funds and vehicles to encourage greater economic involvement of the diaspora in the Motherland.

8. Leveraging the nation's common history, religious affiliation, and cultural roots to further national cohesion and political lobbying and support.

9. Encouraging remittances with the implementation of a special, lenient tax regime, the issuance of remittance-bonds, and by providing foreign investors with tax holidays, one-stop-shop facilities, business incubators, and direct access to decision makers.

10. Fostering knowledge-based networks of local and foreign (diaspora-based exapts) businessmen, scientists, and experts; forming migrant associations to share contacts and business opportunities and otherwise socially network; encouraging returning citizens and providing them with tax concessions, loans, and employment opportunities (e.g., Israel, China, Venezuela, Uruguay, Ethiopia).

The Case of Israel

I was born to parents of the working class in Israel, in 1961. It was a grim neighbourhood, in a polluted industrial area, a red bastion of the "socialist" labour party. The latter would have easily qualified as Bolshevik-communist anywhere else. It exerted the subtly pernicious decadently corrupt kind of all-pervasive influence that is so typical in one party states. Sure, there were a few token fringe opposition parties but Labour's dominance went uninterrupted for more than 90 years. And corruption was both rife and rampant - nepotism, cronyism, outright bribery. During the 70s, the recently appointed governor of the central bank was imprisoned and a minister committed suicide. Many more immolated themselves or ended serving long sentences in over-crowded jails. Massive scandals erupted daily. Some of them cost the country more than 10% of its GDP each (for example, the crisis of the bank shares in 1983). In the 80s, privatization turned into an orgy of privateering, spawning a class of robber barons. Red tape is still a major problem - and a major source of employment. And then there were the wars and armed conflicts and vendettas and retributions and mines and missiles and exploding buses and the gas masks. In its 52 years of independence the country has gone through 6 major official wars and more than 10 war-sized conflicts.

Yet, despite all the above, Israel emerged as by far the most outstanding economic miracle. Its population was multiplied by 10 by surges of immigrants. During the 50s, it tripled from 650,000 (1948 - Jewish population figures only) to 2,000,000. The newcomers were all destitute, the refugees of the geopolitics of hate from both the Eastern block and from the Arab countries. The cultural, social and religious profile of the latter stood in stark contrast to that of their "hosts". Thus the seeds of long term inter-ethnic, inter-cultural, social and religious conflicts were sown, soon

to blossom into full fledged rifts. During the 90s - 800,000 Russian immigrants flooded a Jewish population of 4,500,000 souls. But these demographic upheavals did not disturb a pattern of unprecedented economic growth which led to a GDP per capita per annum of 17,000 USD. Israel is a world leader in agriculture, armaments, information technology, research and development in various scientific fields. Yet, it is a desert country, smaller in area than Macedonia and with much fewer and lesser natural endowments. It was subjected to an Arab embargo for more than 40 consecutive years. On average it had c. 3 million inhabitants throughout its existence.

Israel's secret was the Jews in the Jewish Diaspora the world over.

From its very inception - as a budding concept in the febrile brain of Herzl - the Jewish State was considered to be the home of all Jews, wherever they are. A Law of Return granted them the right to immediately become Israeli citizens upon stepping on the country's soil. The Jewish State was considered to be an instrument of the Jewish People, a shelter, an extension, a long arm, a collaborative and symbiotic effort, an identity, an emotional apparatus, a buffer, an insurance policy, a retirement home, a showcase, a convincing argument against all anti-Semites past and present. There was no question whatsoever regarding the implicit and explicit contractual obligations between these two parties. The Jews in the diaspora had to disregard and ignore Israel's warts, misdeeds and disadvantages. They had to turn a public blind eye to corruption, nepotism, cronyism, the inefficient allocation of economic resources, blunders and failures. They had to support Israel financially. In return, the Jewish State had to ensure its own successful survival against all odds and to welcome all the Jews to become its citizens whenever they chose to and no matter what their previous record or history is. Hence the constant arguments about WHO is a Jew and which institution should be allowed to monopolize the endowment of this lucrative and, potentially, life saving status. Hence the bitter resentment felt in many circles toward the 200,000 or so non-Jewish immigrants, the relatives of the Jewish ones who flooded Israel's shores in the last decade.

But the consensus was and is unharmed, appearances notwithstanding. And the Jews supported Israel in numerous straightforward and inventive ways. They volunteered to fight for it. They spied for it. They donated money and built hospitals, schools, libraries, universities and municipal offices. They supported students through scholarships and young leaders through exchange programs. They managed and financed a gigantic network of educational facilities from youth summer camps to cultural exchanges. They bought the risky long term bonds of the nascent state, which was constantly fighting for its life (and they did an excellent business in hindsight). Some of them invested money in centrally planned, periphery bound, lost economic causes - ghost factories which produced shoddy and undemanded goods. Year in and year out they poured an average of half a billion US dollars a year annually (about 200 million US dollars a year in net

funds). Most of the money did not come from the stereotypical Jewish billionaires. Most of it came through a concerted effort of voluntary (though surely peer pressured) money raising among hundreds of thousands of poor Jews the world over. The Jewish people set up a horde of organizations whose aim was collection of funds and their application to the advancement of Zionist and Jewish causes. Every Jew deposited a few weekly cents into the "Blue Box" - "for the cause": to redeem land, to establish settlements, to open educational institutions, to publish a Jewish newspaper, to act against anti-Semitism, to rebrand Judaism and fight nefarious stereotypes. It was a grassroots movement directed only by the dual slogans of "No Other Choice" and "The Whole World is Against Us". Emanating from post traumatic and paranoiac roots - it later became a groundswell of goodwill, enthusiastic co-operation and pride.

And all this time, the Jews knew. Not only the sophisticated, worldly Jewish money men. Not only the cosmopolitan, erudite Jewish intellectuals. But also the more typical small time tailors and shoemakers and restaurateurs and cab drivers and plumbers and sweatshop textile workers. They all knew - and it did not sway them one bit. It did not drive them away. They did not gripe and complain or abstain. They kept coming. They kept pouring money into this seemingly insatiable black hole. They kept believing. They kept waiting and they kept active. And all these long decades - they knew.

They knew that Israel was ruled by a caste of utterly corrupt politicians whose avarice equalled only their incompetence. They knew that central planning was going nowhere fast. They knew that elections were rigged, that red tape was strangling entrepreneurship and initiative, that inter ethnic tension was explosive. They knew that Israel lost its not to a demographically exploding Arab population coupled with endless acts of terrorism. They knew that Israel's conduct was not fair, not always democratic, often unnecessarily aggressive. They knew that tenders were won by bribes, that transparency was a mockery, that the courts were negligent and inefficient. They knew that property rights were not protected and that people were pusillanimous and greedy and petty and self-occupied (not to say narcissistic). They witnessed the waste of scarce resources, the indefinitely protracted processes, the bureaucratic delays, the free use of public funds for private ends. They watched as ministers and members of the Knesset and top law enforcement agent conspired to engage in crime and then colluded in covering it up. And they felt betrayed and agonized over all this.

Yet, they NEVER - NEVER - not even for a second, considered giving up.

They NEVER - NEVER - stopped the money coming.

They did not discontinue the dialogue intended to make things better, over there, the land of their so distant fathers.

They always donated and invested and financed and visited and cajoled and argued and opined and hoped and dreamed.

Because this was THEIR country, as well. Because it was a partnership and the inexperienced, stray partner was given the benefit of indefinite doubt. Because they saw the opportunity - the economic opportunity, for sure - but, above all, the historical opportunity. When Israel did mature, when it became a law state, orderly, transparent, efficient, forward looking, the high tech Israel we all know - it repaid them over and over again. They all made money on their decades of patience and endurance. The rich made big money. The small guys made less. But there is no Jew today who can say that he lost money in Israel because he became financially or economically active there in the long run.

They stuck to Israel primarily because they were Jews (and, by easy extension, Israelis). And this is what being a Jew meant. And they were richly rewarded by the Justice Minister of history. Perhaps there is a lesson to be learnt here by Macedonians in the diaspora. I, for one, am sure there is.

Sam Vaknin, Skopje, Macedonia, May 2010

SHMUEL (SAM) VAKNIN

CURRICULUM VITAE

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I. Education

II. Business Experience

III. Web and Journalistic Activities

IV. Publications and Awards

Born in 1961 in Qiryat-Yam, Israel.

Served in the Israeli Defence Force (1979-1982) in training and education units.

Education

1970-1978: Completed nine semesters in the Technion – Israel Institute of Technology, Haifa.

1982-3: Ph.D. in Philosophy (dissertation: "Time Asymmetry Revisited") – Pacific Western University, **California**, USA.

1982-5: Graduate of numerous courses in Finance Theory and International Trading in the UK and USA.

Certified E-Commerce Concepts Analyst by Brainbench.

Certified in Psychological Counselling Techniques by Brainbench.

Certified Financial Analyst by Brainbench.

Full proficiency in Hebrew and in English.

Business Experience

1980 to 1983

Founder and co-owner of a chain of computerised information kiosks in Tel-Aviv, Israel.

1982 to 1985

Senior positions with the Nessim D. Gaon Group of Companies in Geneva, Paris and New-York (NOGA and APROFIM SA):

– Chief Analyst of Edible Commodities in the Group's Headquarters in Switzerland
– Manager of the Research and Analysis Division
– Manager of the Data Processing Division
– Project Manager of the Nigerian Computerised Census
– Vice President in charge of RND and Advanced Technologies
– Vice President in charge of Sovereign Debt Financing

1985 to 1986

Represented Canadian Venture Capital Funds in Israel.

1986 to 1987

General Manager of IPE Ltd. in London. The firm financed international multi-lateral countertrade and leasing transactions.

1988 to 1990

Co-founder and Director of "Mikbats-Tesuah", a portfolio management firm based in Tel-Aviv.
Activities included large-scale portfolio management, underwriting, forex trading and general financial advisory services.

1990 to Present

Freelance consultant to many of Israel's Blue-Chip firms, mainly on issues related to the capital markets in Israel, Canada, the UK and the USA.

Consultant to foreign RND ventures and to Governments on macro-economic matters.

Freelance journalist in various media in the United States.

1990 to 1995

President of the Israel chapter of the Professors World Peace Academy (PWPA) and (briefly) Israel representative of the "Washington Times".

1993 to 1994

Co-owner and Director of many business enterprises:

– The Omega and Energy Air-Conditioning Concern
– AVP Financial Consultants
– Handiman Legal Services
Total annual turnover of the group: 10 million USD.

Co-owner, Director and Finance Manager of COSTI Ltd. – Israel's largest computerised information vendor and developer. Raised funds through a series of private placements locally in the USA, Canada and London.

1993 to 1996

Publisher and Editor of a Capital Markets Newsletter distributed by subscription only to dozens of subscribers countrywide.

In a legal precedent in 1995 – studied in business schools and law faculties across Israel – was tried for his role in an attempted takeover of Israel's Agriculture Bank.

Was interned in the State School of Prison Wardens.

Managed the Central School Library, wrote, published and lectured on various occasions.

Managed the Internet and International News Department of an Israeli mass media group, "Ha-Tikshoret and Namer".

Assistant in the Law Faculty in Tel-Aviv University (to Prof. S.G. Shoham).

1996 to 1999

Financial consultant to leading businesses in Macedonia, Russia and the Czech Republic.

Economic commentator in "Nova Makedonija", "Dnevnik", "Makedonija Denes", "Izvestia", "Argumenti i Fakti", "The Middle East Times", "The New Presence", "Central Europe Review", and other periodicals, and in the economic programs on various channels of Macedonian Television.

Chief Lecturer in courses in Macedonia organised by the Agency of Privatization, by the Stock Exchange, and by the Ministry of Trade.

1999 to 2002

Economic Advisor to the Government of the Republic of Macedonia and to the Ministry of Finance.

2001 to 2003

Senior Business Correspondent for United Press International (UPI).

2007 -

Associate Editor, Global Politician

Founding Analyst, The Analyst Network

Contributing Writer, The American Chronicle Media Group

Expert, Self-growth.com

2007-2008

Columnist and analyst in "Nova Makedonija", "Fokus", and "Kapital" (Macedonian papers and newsweeklies).

2008-

Member of the Steering Committee for the Advancement of Healthcare in the Republic of Macedonia

Advisor to the Minister of Health of Macedonia

Seminars and lectures on economic issues in various forums in Macedonia.

Web and Journalistic Activities

Author of extensive Web sites in:

– Psychology ("Malignant Self Love") - An Open Directory Cool Site for 8 years.

– Philosophy ("Philosophical Musings"),

– Economics and Geopolitics ("World in Conflict and Transition").

Owner of the Narcissistic Abuse Study Lists and the Abusive Relationships Newsletter (more than 6,000 members).

Owner of the Economies in Conflict and Transition Study List , the Toxic Relationships Study List, and the Links and Factoid Study List.

Editor of mental health disorders and Central and Eastern Europe categories in various Web directories (Open Directory, Search Europe, Mentalhelp.net).

Editor of the Personality Disorders, Narcissistic Personality Disorder, the Verbal and Emotional Abuse, and the Spousal (Domestic) Abuse and Violence topics on Suite 101 and Bellaonline.

Columnist and commentator in "The New Presence", United Press International (UPI), InternetContent, eBookWeb, PopMatters, Global Politician, The Analyst Network, Conservative Voice, The American Chronicle Media Group, eBookNet.org, and "Central Europe Review".

Publications and Awards

"Managing Investment Portfolios in States of Uncertainty", Limon Publishers, Tel-Aviv, 1988

"The Gambling Industry", Limon Publishers, Tel-Aviv, 1990

"Requesting My Loved One – Short Stories", Yedioth Aharonot, Tel-Aviv, 1997

"The Suffering of Being Kafka" (electronic book of Hebrew and English Short Fiction), Prague, 1998-2004

"The Macedonian Economy at a Crossroads – On the Way to a Healthier Economy" (dialogues with Nikola Gruevski), Skopje, 1998

"The Exporters' Pocketbook", Ministry of Trade, Republic of Macedonia, Skopje, 1999

"Malignant Self Love – Narcissism Revisited", Narcissus Publications, Prague, 1999-2007 (Read excerpts - click here)

The Narcissism, Psychopathy, and Abuse in Relationships Series (E-books regarding relationships with abusive narcissists and psychopaths), Prague, 1999-2010

Personality Disorders Revisited (e-book about personality disorders), Prague, 2007

"After the Rain – How the West Lost the East", Narcissus Publications in association with Central Europe Review/CEENMI, Prague and Skopje, 2000

Winner of numerous awards, among them Israel's Council of Culture and Art Prize for Maiden Prose (1997), The Rotary Club Award for Social Studies (1976), and the Bilateral Relations Studies Award of the American Embassy in Israel (1978).

Hundreds of professional articles in all fields of finance and economics, and numerous articles dealing with geopolitical and political economic issues published in both print and Web periodicals in many countries.

Many appearances in the electronic media on subjects in philosophy and the sciences, and concerning economic matters.

Write to Me:

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